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**BY EMAIL**

Federal Communications Commission  
Office of the Secretary

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> St. SW  
Room 2-A360  
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

Re: *Amendment of Pandora organizational documents*  
*KMXZ(FM), Box Elder, South Dakota (Facility ID No. 164109)*  
*FCC File No. BALH-20130620ABJ*  
*MB Docket 14-109*

Dear Ms. Dortch:

On behalf of Pandora Media, Inc. ("Pandora"), I am writing to request any required consent of the Federal Communications Commission ("FCC" or "Commission") Audio Division ("Division") for Pandora to delay requesting its shareholders to vote on the amendment to Pandora's organizational documents specified in the Commission's Section 310(b)(4) *Declaratory Ruling* in MB Docket 14-109.<sup>1</sup> In the *Declaratory Ruling*, the Commission determined that it will "serve the public interest to permit a widely dispersed group of shareholders to hold aggregate foreign ownership in [Pandora] in excess of the 25 percent benchmark in Section 310(b)(4)," subject to certain conditions specified in the *Declaratory Ruling*.<sup>2</sup> Among these conditions was a requirement that Pandora amend certain of its

<sup>1</sup> *Pandora Radio LLC Petition for Declaratory Ruling Under Section 310(b)(4) of the Communications Act of 1934, as Amended, Declaratory Ruling, 30 FCC Rcd 5094 (2015) ("Declaratory Ruling").*

<sup>2</sup> *Id.* ¶ 1. The Commission did not determine in the *Declaratory Ruling* that Pandora's actual foreign ownership exceeds 25%. Instead, the Commission determined that Pandora's evaluation of its foreign ownership was "insufficient for compliance and [Section 310(b)(4)] certification purposes under [Commission] precedent" but sufficient for the Commission to determine that the public interest was served by approval of Pandora's petition for declaratory ruling under Section

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organizational documents to provide Pandora's Board of Directors with the following rights: "(1) the right to restrict the transfer of shares to aliens; (2) the right to require disclosure when an alien acquires beneficial ownership of, or voting interest in, shares; and (3) the right to compel the redemption of shares held by aliens"<sup>3</sup> ("Amendments"). The Commission did not specify a timeframe in which such Amendments must be enacted by Pandora's shareholders.<sup>4</sup>

Following the adoption by the Commission of the *Declaratory Ruling*, the Media Bureau ("Bureau") consented in a June 2, 2015 *Letter Decision*<sup>5</sup> to the assignment of the radio station broadcast license of KXMZ(FM), South Elder, South Dakota (Facility ID No. 164109) ("KXMZ"), to Pandora's wholly owned subsidiary, Pandora Radio LLC ("Pandora Radio"). On June 9, 2015, Pandora Radio acquired KXMZ. In its *Letter Decision*, the Bureau implemented the *Declaratory Ruling* condition set forth above by requiring Pandora to amend its organizational documents no later than at Pandora's 2017 annual shareholder meeting or, if Pandora fails to do so, to divest KXMZ.<sup>6</sup> The Bureau stated in the *Letter Decision* that it "expect[s] Pandora ... to present this matter for a shareholder vote at the 2016 annual shareholder meeting, and, if approval is not obtained, to once again present the matter at the 2017 annual shareholder meeting."<sup>7</sup> Although the Bureau does not appear to have *required* Pandora to present the matter for a shareholder vote at Pandora's 2016 annual shareholder meeting, because the Bureau stated that it expected Pandora to do so, Pandora, out of an abundance of caution, is seeking Bureau consent to delay doing so while Pandora determines its broadcast strategy going forward.

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310(b)(4). See Pandora Radio LLC, Petition for Declaratory Ruling of Pandora LLC Under Section 310(b)(4) of the Communications Act of 1934, as Amended, MB Docket 14-109, (filed June 27, 2014).

<sup>3</sup> *Declaratory Ruling* ¶ 20.

<sup>4</sup> See Pandora Radio LLC Application of Connoisseur Media Licenses, LLC for Consent to Assign Station KXMZ(FM), Box Elder, South Dakota, to Pandora Radio LLC, Order on Reconsideration, 30 FCC Rcd 10570 ¶ 9 (MB 2015) ("*Reconsideration Order*") ("The *Declaratory Ruling* imposed as a condition certain specific changes to Pandora's certificate of incorporation. It established no date for doing so.").

<sup>5</sup> Melodie Virtue, Esq., Letter, Ref. No. 1800B3-CEG, DA 15-654 (MB Jun. 2, 2015) ("*Letter Decision*").

<sup>6</sup> *Letter Decision* at 7.

<sup>7</sup> *Id.* (emphasis added); see also *Reconsideration Order* ¶ 9 ("The Bureau's *Letter Decision* expected Pandora to present this matter for a vote at its 2016 annual shareholder meeting, and if necessary at its 2017 annual shareholder meeting—after which the station would be subject to divestiture.") (emphasis added).



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Pandora currently is reevaluating its broadcast strategy. Specifically, Pandora is considering whether it intends to remain a broadcaster or instead will divest KXMZ. For this reason, Pandora does not want to request its shareholders at this time to make substantial changes to Pandora's organizational documents. Amending the documents to include these foreign ownership provisions unduly burdens the shareholders of Pandora by imposing transfer restrictions, disclosure requirements, and the possibility of the unilateral redemption of their shares. These shareholder encumbrances will be unnecessary if Pandora decides to change its business strategy so that it is no longer an FCC licensee. Moreover, the amendment process itself can be costly and at times create controversy among shareholders, which Pandora would like to avoid if the Amendment process proves to be unnecessary. Accordingly, in light of the Bureau's expectation that Pandora would ask its shareholders to vote on the Amendments during Pandora's annual shareholder meeting in June 2016, Pandora asks that it be excused from doing so this year while it reviews its broadcast strategy. Once Pandora has completed this evaluation, it either will promptly sell KXMZ or seek a shareholder vote on the Amendments during its June 2017 annual shareholder meeting as required by the Bureau in the *Letter Decision*. Pandora recognizes that, should it decide to remain a broadcast licensee and its efforts to amend its organizational documents in 2017 not be successful, Pandora may be required to divest KXMZ. Pandora will remain in compliance with all other conditions set forth in the *Declaratory Ruling* and the *Letter Decision* in the interim.

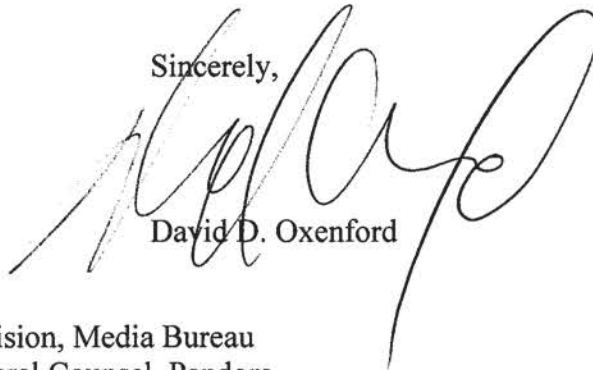
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For the reasons set forth herein, to the extent that the Bureau believes that its consent is required for Pandora to delay presenting the Amendments to its shareholders until Pandora's June 2017 annual shareholder meeting while Pandora determines whether to divest KXMZ, Pandora requests that the Bureau provide such consent.<sup>8</sup>

Sincerely,

A handwritten signature in black ink, appearing to read 'David D. Oxenford', is written over the typed name.

David D. Oxenford

cc.: Peter Doyle, Chief, Audio Division, Media Bureau  
Alice McTighe, Assistant General Counsel, Pandora  
[Meredith Senter, Lerman Senter Law Firm, *Counsel for American Society of Composers, Authors and Publishers*]

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<sup>8</sup> The Commission currently is considering in a pending proceeding whether to reform and streamline its application of Section 310(b)(4), including, in particular, as applied to broadcasters. See *Review of Foreign Ownership Policies for Broadcast, Common Carrier and Aeronautical Radio Licenses under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Notice of Proposed Rulemaking, 30 FCC Rcd 11830 (2015) ("*Foreign Ownership NPRM*"). The Commission did not propose in its *Foreign Ownership NPRM* to require broadcasters to incorporate specific provisions in their organizational documents in connection with foreign ownership considerations. Pandora is the only broadcaster to which the Commission has applied this requirement.